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**Support by the United Nations system of the efforts of Governments
to promote and consolidate new or restored democracies**

**Note verbale dated 28 February 2000 from the Permanent
Mission of South Africa to the United Nations addressed to
the Secretary-General**

The Permanent Mission of the Republic of South Africa to the United Nations presents its compliments to the Secretary-General of the United Nations and, in South Africa's capacity as Chairman of the Commonwealth, has the honour to refer to the Commonwealth Heads of Government Summit held in Durban, South Africa, from 12 to 15 November 1999, and in this regard request that the attached Summit document, entitled "Commonwealth Heads of Government Meeting Communiqué" (see annex), be circulated as an official document of the General Assembly, under agenda item 39.



Annex

Commonwealth Heads of Government Meeting Communiqué

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The Fancourt Commonwealth Declaration on Globalisation and People-Centred Development

In today's world, no country is untouched by the forces of globalisation. Our destinies are linked together as never before. The challenge is to seize the opportunities opened up by globalisation while minimising its risks.

On the positive side, globalisation is creating unprecedented opportunities for wealth creation and for the betterment of the human condition. Reduced barriers to trade and enhanced capital flows are fuelling economic growth.

The revolution in communications technologies is shrinking the distance between nations, providing new opportunities for the transfer of knowledge and the development of skills-based industries. And technological advance globally offers great potential for the eradication of poverty.

But the benefits of globalisation are not shared equitably. Prosperity remains the preserve of the few. Despite the progress of the past fifty years, half the world's population lives on less than two US Dollars per day. Many millions live in conditions of extreme deprivation. The poor are being marginalised. Expanded capital flows have also brought with them the risk of greater financial instability, undermining the hope that a commitment to open markets can lift the developing world, especially the least developed countries, out of poverty and debt.

The persistence of poverty and human deprivation diminishes us all. It also makes global peace and security fragile, limits the growth of markets, and forces millions to migrate in search of a better life. It constitutes a deep and fundamental structural flaw in the world economy.

The greatest challenge therefore facing us today is how to channel the forces of globalisation for the elimination of poverty and the empowerment of human beings to lead fulfilling lives.

The solution does not lie in abandoning a commitment to market principles or in wishing away the powerful forces of technological change. Globalisation is a reality and can only increase in its impact. But if the benefits of globalisation are to be shared more widely, there must be greater equity for countries in global markets.

We call on all nations fully to implement the Uruguay Round commitments to dismantle barriers to trade for the mutual benefit of all. Moreover, recognising in particular the significant contribution that enhanced export opportunities can make for reducing poverty, we call for improved market access for the exports of all countries, particularly developing countries, and the removal of all barriers to the exports of the least developed countries.

Strong export growth remains a key element in the ability of developing countries to improve their living standards to the levels enjoyed in the industrialised world. We support efforts that would enable developing countries to build up their skills and manufacturing capacities,

including the production and export of value-added goods, so as to enhance growth and achieve prosperity.

Likewise, we urge that the forthcoming Ministerial Meeting of WTO to launch the next round of global negotiations on trade be one with a pronounced developmental dimension, with the aim of achieving better market access in agriculture, industrial products and services in a way that provides benefits to all members, particularly developing countries. The Round should be balanced in process, content and outcome.

We fully believe in the importance of upholding labour standards and protecting the environment. But these must be addressed in an appropriate way that does not, by linking them to trade liberalisation, end up effectively impeding free trade and causing injustice to developing countries.

We also call on the global community to establish innovative mechanisms to promote capital flows to a wider number of countries; and to urgently initiate reform of international financial architecture to minimise financial instability and its impact on the poor.

We believe that the elimination of poverty is achievable – but only if we take determined and concerted action at national and international levels. We reiterate our commitment to work for a reversal of the decline in official development assistance flows. Urgent action is also required to tackle the unsustainable debt burden of developing countries, particularly the poorest, building on the recent initiatives agreed internationally. We believe such development assistance must be focused on human development, poverty reduction and on the development of capacities for participating in expanding world markets for goods and capital. Above all, we recognise the responsibilities of national governments to promote pro-poor policies and human development.

If the poor and the vulnerable are to be at the centre of development, the process must be participatory, in which they have a voice. We believe that the spread of democratic freedoms and good governance, and access to education, training and health care are key to the expansion of human capabilities, and to the banishment of ignorance and prejudice. Recognising that good governance and economic progress are directly linked, we affirm our commitment to the pursuit of greater transparency, accountability, the rule of law and the elimination of corruption in all spheres of public life and in the private sector.

We are concerned at the vast gap between rich and poor in the ability to access the new technologies, at the concentration of the world's research resources in market-driven products and processes, the increasing tendency to claim proprietary rights on traditional knowledge, and at bio-piracy. We call on the world community to use the opportunities offered by globalisation for adopting practical measures for overcoming these challenges; for example, by extending the benefits of global medical research through the provision of drugs at affordable prices to the poor in developing countries.

We welcome the spread of ideas, information and knowledge in building civil support for social equality, and in opposing all forms of discrimination and other injustices based on ethnicity, gender, race and religion. But, while better communications have increased human contact, there is for some a growing sense of social exclusion and a general failure of moral purpose.

Persistence of inequalities faced by women, continued high levels of youth unemployment, lack of adequate support systems for the aged, children and the disabled in many parts of the world and increased threats to the diversity of cultures and beliefs all contribute to the undermining of just and stable society. We therefore call for a renewed commitment to eliminate all forms of discrimination and to take measures that promote respect for the diverse languages, cultures and beliefs, and traditions of the world, which enrich all our lives.

Recognising that the full exploitation of the opportunities for development created by globalisation is not possible without security, political stability and peace, we commit ourselves, in partnership with civil society, to promote processes that help to prevent or resolve conflicts in a peaceful manner, support measures that help to stabilise post-conflict situations, and combat terrorism of all kinds.

Good governance requires inclusive and participatory processes at both national and international levels. We call on the global community to search for inclusive processes of multilateralism which give a more effective voice in the operations of international institutions to developing countries, and which recognise the particular vulnerabilities of small states.

We believe that the Commonwealth, an association of diverse sovereign nations reflecting different stages of development and united by common values, has a vital role to play in promoting consensus at national and international levels and in providing practical assistance for the creation of capacities needed to promote people-centred development. At the threshold of a new millennium, we look to the Commonwealth, and its family of organisations, to contribute significantly to making the above aspirations a reality.

Fancourt
George, South Africa
14 November 1999

THE DURBAN COMMUNIQUÉ

1. Commonwealth Heads of Government met in Durban from 12 to 15 November 1999. Of the 52 countries which attended the Meeting, 47 were represented by Heads of State or Prime Ministers. The Meeting was chaired by His Excellency Mr Thabo Mbeki, President of the Republic of South Africa.
2. The Opening Session of the Meeting included an address by Her Majesty Queen Elizabeth II, Head of the Commonwealth.
3. Heads of Government believed that their Meeting was highly symbolic, being their first meeting on the soil of a democratic South Africa, and recalling in this context the leading role which the Commonwealth had played in the global campaign to eradicate *apartheid*. They deemed it particularly appropriate that their meeting in South Africa should also mark the 50th Anniversary of the modern Commonwealth. They recognised the significance of the Meeting as one which would launch the Commonwealth into the next millennium.

4. They extended a warm welcome to President Olusegun Obasanjo as the democratically elected leader of Nigeria and expressed satisfaction at the full return of the country to the Commonwealth fold. They also welcomed Nauru's participation in the Commonwealth Heads of Government Meeting for the first time following its accession to full Commonwealth membership.

5. Heads of Government conveyed their appreciation for the excellent arrangements for their Meeting and the warm hospitality extended by the Government and people of South Africa, as well as for the Chairman's admirable stewardship.

6. Heads of Government adopted the *Fancourt Declaration on Globalisation and People-Centred Development*.

Review of the Role of the Commonwealth

7. Heads of Government decided that a High-Level Group should be established to review the role of the Commonwealth and advise on how best it could respond to the challenges of the new century. The group would be chaired by the President of South Africa and include the Heads of Government of Australia, Fiji, India, Malta, Singapore, Tanzania, Trinidad and Tobago, United Kingdom and Zimbabwe. It would report to the next CHOGM in Australia in 2001.

Chairperson-in-Office

8. Heads of Government believed that the Chairperson of each CHOGM should be able to play a representational role, especially in other intergovernmental organisations in the period between Heads of Government Meetings.

Fifty Years of the Modern Commonwealth

9. Heads of Government recalled that the modern Commonwealth traced its origin to the 1949 London Declaration. They celebrated the completion of 50 years since that landmark and believed that this Anniversary marked another important milestone in the history of the association. They noted that the sustained increase in the membership of the Commonwealth, including the return of old members and interest from aspiring members, was testimony to the growing strength and relevance of the association.

Fundamental Political Values

10. Heads of Government renewed their commitment to the Commonwealth's fundamental political values of democracy, human rights, the rule of law, independence of the judiciary and good governance. They reiterated that fundamental political values and sustainable development were interdependent and mutually reinforcing, and that economic and social progress worked to enhance the sustainability of democracy. They called for increased international co-operation to support democracies in achieving benefits for the poor.

11. Heads of Government noted that the Commonwealth had made commendable progress in making democracy a way of life in the association and believed that it needed to be deepened. They felt that not only governments but all political parties, other organs of civil society and the public at large also had equal responsibility for upholding and promoting the democratic ethic. They recognised the parliaments and legislatures of the Commonwealth as

essential elements in the exercise of democratic government, and endorsed the efforts of the Commonwealth Parliamentary Association as the parliamentary partner of the Commonwealth's governmental and non-governmental sectors in advancing the democratic culture of the Commonwealth.

12. Heads of Government commended the valuable contribution made by the Secretary-General's good offices role, at the request of the concerned member governments, to peace, democratic order and political stability, through the prevention and resolution of conflict situations in member countries. They also commended the effective use of Special Envoys by the Secretary-General in this context.

13. Heads of Government reaffirmed gender equality as an essential component of human equality and basic human rights and as a particular Commonwealth challenge, urged member governments to take action for the promotion and advancement of women by strengthening their national machineries to implement gender mainstreaming for the acceleration of women's empowerment in political, economic and social activities in the 21st Century.

Commonwealth Ministerial Action Group's Report

14. Heads of Government received with appreciation the Report of the Commonwealth Ministerial Action Group on the Harare Commonwealth Declaration.

15. Heads of Government expressed concern at the continued existence of the Schedule to Decree no. 89, which proscribes the political activities of certain political parties and individuals in The Gambia and urged its repeal. They welcomed an invitation extended by the President of The Gambia for CMAG to visit that country and assess first-hand The Gambia's compliance with the Harare Principles. They requested the Secretary-General to continue the provision of technical assistance to The Gambia to consolidate democratic processes and institutions.

16. Heads of Government expressed their support for the Lomé Peace Agreement on Sierra Leone and called for its immediate, full and effective implementation. They deplored the recent violations of the Agreement and called upon all parties to fulfill their commitments, urging the co-operation of all groups with the process of disarmament, demobilisation and reintegration. They commended the efforts of ECOWAS and its Monitoring Group, ECOMOG, in bringing peace and stability to Sierra Leone and upholding the legitimacy of the elected government. They expressed the Commonwealth's support for the United Nations Mission in Sierra Leone (UNAMSIL) in its role of consolidating the Lomé Peace Agreement.

17. Heads of Government requested CMAG to remain engaged with the post-conflict reconstruction and development and peace-building in Sierra Leone. They also requested the Secretary-General to continue his good offices role in consultation with the United Nations, and that the Commonwealth Secretariat should remain in close liaison with other members of the international community through the International Contact Group on Sierra Leone. They called on the international community to assist Sierra Leone in the task of national reconstruction within the framework of the Commonwealth Action Plan for Sierra Leone.

18. Heads of Government condemned the unconstitutional overthrow of the democratically elected Government in Pakistan on 12 October 1999. They believed that no legitimacy should be accorded to the

military regime and called for the restoration of civilian democratic rule without delay. They endorsed CMAG's decision to suspend the military regime in Pakistan from the councils of the Commonwealth, pending the restoration of democracy in that country.

19. Heads of Government requested CMAG to keep the situation in Pakistan under review and be prepared to recommend further measures to be taken by the Commonwealth if progress to democracy is not made speedily.

20. Recognising the unconstitutionality of the regime, Heads of Government urged that Prime Minister Nawaz Sharif and others detained with him be released immediately and that the rule of law in Pakistan be duly observed.

21. Heads of Government commended the role played by CMAG as a custodian of the Harare Principles. They agreed that CMAG should continue to address serious or persistent violations of those Principles and that its future mandate should be considered further by the Commonwealth High-Level Group. They decided that, for the ensuing biennium, CMAG should consist of Ministers from Australia, Bangladesh, Barbados, Botswana, Canada, Malaysia, Nigeria and the United Kingdom. They further agreed that, beginning with the new membership of CMAG, no country should serve for more than two consecutive two-year terms.

Cyprus

22. Heads of Government reaffirmed their support for the independence, sovereignty, unity and territorial integrity of the Republic of Cyprus. They called for the implementation of United Nations Resolutions on Cyprus, and in particular Security Council Resolutions 365 (1974), 550 (1984), 1250 and 1251 (1999), and for the withdrawal of all Turkish forces and settlers, the return of the refugees to their homes, the restoration and respect for human rights of all Cypriots, and the accounting for all missing persons. They emphasised that the demand for recognition of a separate state in the occupied part of Cyprus is unacceptable.

23. Reiterating their deep concern that continued efforts to achieve a just and lasting solution should at last bear fruit, they strongly endorsed the United Nations Security Council's request to the United Nations Secretary-General to invite the two communities on Cyprus to negotiations under his auspices before the end of 1999. They noted that these negotiations would be comprehensive and based on the four principles of: no preconditions, all issues being on the table, commitment in good faith to continue the negotiations until a settlement is reached, and full consideration of relevant United Nations Resolutions and Treaties. They pledged their full support for the United Nations Secretary-General in pursuit of this objective, and expressed their warm appreciation for the willingness of the Government of the Republic of Cyprus to respond positively to an invitation to negotiations based on the four principles endorsed by the United Nations Security Council.

24. They requested the Secretary-General to convene the Commonwealth Action Group on Cyprus whenever appropriate.

Belize

25. Heads of Government reaffirmed their support for the territorial integrity, security and sovereignty of Belize and expressed the hope for continued improvement in relations between Belize and Guatemala.

They called for dialogue at the highest levels with a view to reaching a mutually beneficial and definitive solution. They mandated the Secretary-General to convene the Commonwealth Ministerial Committee on Belize whenever necessary.

Guyana

26. Heads of Government expressed their firm support for and solidarity with the Government and people of Guyana in the maintenance of their territorial integrity and sovereignty. They also commended the continued commitment to a peaceful settlement to the controversy between Guyana and Venezuela.

27. Heads of Government took note that relations between the two countries had been conducted over recent years in an atmosphere of mutual understanding and respect, and through the development of programmes of functional co-operation. They expressed the hope that both countries would resolve their differences on this matter peacefully, and welcomed the good offices process of the United Nations Secretary-General.

28. Heads of Government mandated the Commonwealth Secretary-General to establish a ministerial group on Guyana to monitor further developments in respect of the existing controversy.

East Timor

29. Heads of Government acknowledged the contribution of Commonwealth countries, at the request of concerned member governments, to conflict resolution and the promotion of democracy not only within member countries but also in their respective regions. They acknowledged the contribution of Commonwealth and other countries to the success achieved by INTERFET, the multinational force led by Australia under a UN mandate, in restoring peace and security in East Timor and in facilitating the delivery of humanitarian assistance. They thanked the wide range of Commonwealth members including Canada, Kenya, Malaysia, New Zealand, Singapore and the United Kingdom and other countries who contributed contingents to the multinational force or other resources. They welcomed the current discussions with the Fiji Islands and Mozambique about possible contributions from those members.

30. Heads of Government welcomed the establishment of the United Nations Transitional Administration in East Timor (UNTAET) and looked forward to the early transition from INTERFET to a United Nations peacekeeping force. They noted the significant scale of international assistance required for reconstruction in East Timor and called for further contributions to this effort from Commonwealth and other countries. They also urged all parties in East Timor to work strenuously towards reconciliation.

Democratic Republic of Congo (DRC)

31. Heads of Government welcomed the signing of the Lusaka Ceasefire Agreement on the DRC and urged all the parties to the conflict to strictly adhere to the letter and spirit of the agreement. They appealed to the international community to extend the necessary support to the Organisation of African Unity and the Joint Military Commission to enable them to carry out their mandate without further delay. They further urged the United Nations to speedily deploy a peacekeeping force in the DRC in accordance with the Lusaka Ceasefire Agreement. They encouraged the Congolese people to expedite the national dialogue.

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Angola

32. Heads of Government expressed their grave concern over the continuing suffering of the people of Angola due to UNITA's non-compliance with the Lusaka Protocol and the relevant United Nations Security Council resolutions on Angola. In this respect, they urged the international community to increase, as a matter of urgency, the humanitarian assistance, especially to the displaced persons. Recognising that UNITA is largely responsible for the breakdown of the peace process they urged the international community to fully support and respect the implementation of the United Nations Security Council Sanctions imposed on UNITA. They further called upon the international community to support the work of the United Nations Security Council Sanctions Committee on Angola.

Terrorism

33. Heads of Government reaffirmed their strongest condemnation of acts of terrorism in all its forms and manifestations, which destabilise the political, economic and social order of sovereign states. They reiterated their determination to promote international and regional co-operation and to strengthen the international legal framework to ensure that terrorists do not find safe haven in any part of the world. They welcomed the adoption of the Convention on the Suppression of Terrorist Bombings as the latest in the series of United Nations enactments on this subject and United Nations Security Council Resolution 1269 of 19 October 1999. They called for the adoption at the current session of the United Nations General Assembly, of the International Convention on the Suppression of Acts of Terrorist Financing, and welcomed the agreement on elaborating, on a priority basis, a Comprehensive Convention Against International Terrorism. Recognising the linkages between terrorism, illegal trafficking in drugs, arms, and of persons, and money laundering, they further called on all states to enact laws to prevent financing of terrorists and terrorist organisations. They also called for firm deterrent measures by the United Nations Security Council against states, entities and organisations which harbour and train terrorists or promote international terrorism.

Children and Armed Conflict

34. Heads of Government expressed grave concern at the harmful and widespread impact of armed conflict on children and the long-term consequences of this for peace, security and development. They strongly condemned the targeting and abuse of children in situations of armed conflict and the recruitment and use of children in armed conflict in violation of international law, calling on all parties concerned to put an end to such practices. They welcomed United Nations Security Council Resolution 1261 of 25 August 1999, and the current efforts to draft an Optional Protocol to the Convention on the Rights of the Child and Involvement of Children in Armed Conflicts and encouraged efforts by all relevant actors at

the national and international level to develop more coherent and effective approaches to the issue of children and armed conflict.

35. In the same context, Heads of Government also welcomed the adoption in June 1999 by the International Labour Organisation of the Convention on the Worst Forms of Child Labour. They noted that a large number of Commonwealth countries had signed the Convention and urged its ratification by as many member governments as possible.

Small Arms

36. Heads of Government expressed concern at the destabilising accumulation and proliferation of small arms, ammunition, and light weapons, which had contributed to the intensity and duration of armed conflicts as well as to international terrorism. They noted that many Commonwealth governments were adversely affected by the excessive and destabilising accumulation, and the uncontrolled flows of these lethal weapons. They believed that the challenge posed by the proliferation of small arms involved security, humanitarian and development dimensions. They welcomed the Statement made by the President of the United Nations Security Council on this subject on 29 September 1999 and emphasised the need for urgent action by the international community to curb and prevent illicit production and trafficking. They urged member countries to support and encourage the initiatives underway globally and regionally, and particularly in the United Nations on this complex problem, including the international conference scheduled to be held in 2001.

Protection of Civilians in Armed Conflict

37. Heads of Government expressed their deep concern at the targeting of civilians, especially women and children, including recent attacks on humanitarian personnel, noting that these acts which violate international law are often undertaken with impunity. Recognising the negative impact this can have on the building of durable peace, reconciliation and sustainable development, they encouraged all Commonwealth countries to promote compliance with international humanitarian, human rights and refugee law.

Debt

38. Heads of Government stressed that the Commonwealth should continue to be a driving force in international efforts to secure a lasting exit from debt for the poorest and most indebted countries in the world. They welcomed the enhanced HIPC initiative, agreed at the autumn 1999 meetings of the Interim and Development Committees. They reiterated the Commonwealth commitment to support the swift implementation of the recent agreements to provide deeper, wider and faster debt relief, with the overarching aim of reducing poverty in HIPC countries. It is important that the procedures relating to the poverty reduction strategies should not delay access to timely debt relief.

39. To this end, they called for the enhanced HIPC framework to be financed in a way that provided additional resources and also avoided adverse effects on other poor developing countries. They emphasised the need for adequate debt relief and technical assistance from the international community to reinforce poverty reduction strategies in debtor countries and help them achieve internationally agreed poverty reduction and development targets by 2015.

40. They also requested that consideration be given to strengthening of the focus on the fiscal burden of debt in assessing sustainability and the shortening of the required track record of reform of up to six years.

Good Governance and the Elimination of Corruption

41. Heads of Government emphasised that corruption has become global in reach and that it must be tackled comprehensively through action at both national and international levels. They welcomed the report of the Commonwealth Expert Group on Good Governance, and endorsed the Framework for Principles for Promoting Good Governance and Combating Corruption, proposed by the Group, as the basis for pursuing concerted strategies based on zero tolerance for all types of corruption at national and global levels. They underscored that the Commonwealth commitment and work in promoting good governance and preventing corruption must be credible, tangible and visible. They instructed the Secretary-General to formulate strategies to facilitate the implementation of the Framework and for reviews of its progress to be reported at regular intervals.

Civil Society

42. Heads of Government declared that people-centred development implied that people must be directly involved in the decision-making process and in the implementation of development plans and programmes through their own organisations. They noted the significance of civil society in empowering people to benefit from globalisation, in contributing towards the goals of poverty elimination, equal opportunity and fair distribution of resources and in helping to deal more effectively with ethnic, racial and religious conflicts. They acknowledged the need to enable capacity-building efforts of local and regional non-governmental organisations. They noted the report of the Commonwealth Foundation on Citizens and Governance and the Communiqué of the Third Commonwealth NGO Forum and asked Senior Officials at their next meeting to study the issue of the Forum presenting its views to the next CHOGM.

Financial Services

43. Heads of Government affirmed the right of member countries to compete in the international financial markets, through the provision of both onshore and offshore financial services. They recognised the substantial importance of financial services to the economies of certain member countries. They also recognised the need for improvements in the existing framework to regulate international financial transactions and markets, given their increasing volume, size and complexity occasioned by globalisation. They requested the Secretariat to offer assistance to member countries to improve, where appropriate, their operating practices and regulatory standards relating to this activity, in order to safeguard the international banking and financial system and to prevent financial crime, notably money laundering.

Environment and Development

44. Heads of Government agreed that the Commonwealth should continue to help to build consensus and strengthen international co-operation towards the conservation of biological diversity to avert existing and new threats to the global environment especially to small island and other vulnerable states from the

impact of climate change. They emphasised the need to resolve outstanding issues and to bring the Kyoto Protocol into force as soon as possible. They expressed concern about the effects of deforestation and called upon the Commonwealth Secretariat and other international organisations, upon request by member states, to initiate studies to increase the availability of alternative, sustainable and affordable sources of energy especially in Africa south of the Sahara.

45. They called for the adoption of a balanced and effective Biosafety Protocol under the Convention on Biological Diversity at the resumed Extraordinary Conference of the Parties (ExCOP) which takes place from 24 to 28 January 2000.

Commonwealth Business Council

46. Heads of Government warmly commended the efforts of the Commonwealth Business Council and received the report of the Commonwealth Business Forum, held in Johannesburg from 9 to 11 November 1999. They recognised the essential role of the private sector as a partner in shaping globalisation with equity. They noted the Forum's recommendations on trade, investment, ethics, corruption and corporate governance, infrastructure development and Commonwealth-CBC co-operation. Heads of Government expressed support for the work of the Commonwealth Business Council and for the proposed Commonwealth guidelines on corporate governance developed by the Commonwealth Association for Corporate Governance.

Small States

47. Heads of Government received with appreciation the attached Report of the Chairperson of the Ministerial Group on Small States.

48. Heads of Government recognised the vulnerability of small states and the development needs they face. They called for the Commonwealth to continue to take a leading role in promoting the interests of small states. They welcomed the Interim Report of the Commonwealth Secretariat/World Bank Task Force, *'Small States: Meeting Challenges in the Global Economy'*, as a landmark document that confirmed these special problems, vulnerabilities and needs. They noted the areas identified in the Interim Report for further work, including the criteria for the classification of small states and called on the Joint Task Force to complete its report in time for the meeting of the Development Committee of the World Bank and the IMF in Spring 2000 after the fullest consultations with governments of small states, and key multilateral agencies.

49. They agreed that members of the Ministerial Mission should continue to act as a monitoring mechanism and play an advisory role until completion of the work of the Task Force and its final report, and that implementation of the final report's recommendations be similarly tracked.

50. Heads of Government underscored the need for the Secretary-General to continue the Commonwealth's collaborative efforts with all partner organisations to ensure the implementation of the Report.

51. Heads of Government urged the next WTO Ministerial Meeting in Seattle to consider special measures, including special and differential treatment, for vulnerable small states.

Multilateral Trade Issues

52. Recalling their Fancourt Declaration on Globalisation and People-Centred Development, Heads requested the Secretariat to continue its support of multilateral trade issues to Commonwealth developing countries, especially small states, in building their capacities for negotiating, updating legislation and strengthening domestic trade policy institutions. They welcomed the contribution which the Trade and Investment Access Facility has made to providing this support, and hoped to expand its resources. In addition, they called on the Secretariat to work with other multilateral bodies and bilateral donors to give practical effect to pledges in international fora and to co-ordinate with others in developing effective, practical programmes of capacity-building for trade, for example by extending the principles of the Integrated Framework more widely.

53. They also requested the Secretary-General to increase the contribution of the Commonwealth to multilateral trade negotiations through the use of expert groups and other methods to explore issues and promote consensus; and to consult Commonwealth governments about convening a meeting of Commonwealth ministers responsible for international trade at an appropriate time to promote progress in WTO negotiations.

54. Heads of Government recognised the importance for a large number of Commonwealth countries of ACP-EU negotiations on post-Lomé-IV arrangements, and urged during a transitional period that the historical benefits upon which ACP countries depend for access to EU markets be retained.

HIV/AIDS

55. Heads of Government expressed grave concern over the devastating social and economic impact of HIV/AIDS, particularly in sub-Saharan Africa. They agreed that this constituted a Global Emergency, and pledged personally to lead the fight against HIV/AIDS within their countries and internationally. They urged all sectors in government, international agencies and the private sector to co-operate in increased efforts to tackle the problem, with greater priority given to research into new methods of prevention, the development of an effective vaccine and effective ways of making affordable drugs for the treatment of HIV/AIDS accessible to the affected population.

Education

56. Heads of Government reaffirmed their commitment to education and training as essential foundations of human development and emphasised their central importance in equipping people with the knowledge and skills to meet the challenges of development and to take advantage of the opportunities presented by globalisation. They recognised the contribution of the Commonwealth of Learning in supporting the efforts of Commonwealth developing countries to benefit fully from the new information and communication technologies in developing their human potential through distance education.

Commonwealth Functional Co-operation

57. Heads of Government considered various aspects of Commonwealth functional co-operation, which they reaffirmed as essential for translating the benefits of membership, particularly to developing member states. They approved the attached Report of the Committee of the Whole. They requested the

Secretariat to intensify its efforts to establish priorities in its areas of responsibility based on the Commonwealth's comparative advantage.

New Secretary-General

58. Heads of Government unanimously elected Mr Don McKinnon to succeed Chief Anyaoku as Commonwealth Secretary-General for a four-year term beginning 1 April 2000. They paid warm tribute to Chief Emeka Anyaoku for his exceptional services to the Commonwealth as Secretary-General over the last ten years and during his near 34 years of service to the Commonwealth. They believed that his contribution to the strengthening of the Commonwealth would be long remembered.

Next Meeting

59. Heads of Government reaffirmed their earlier decision to accept the kind offer of the Government of Australia to host their next Meeting in 2001.

COMMONWEALTH MINISTERIAL GROUP ON SMALL STATES

Chairperson's Report to CHOGM

Introduction

1. The Commonwealth Ministerial Group on Small States held its fourth meeting on 11 November at Durban on the eve of the Commonwealth Heads of Government Meeting. The meeting was chaired by the Hon Mrs Nkosazana Zuma, Minister of Foreign Affairs, Republic of South Africa. Representatives of 37 member governments and observers from the World Bank, IMF, the European Commission and CARICOM attended the meeting.

2. In his introductory remarks, the Commonwealth Secretary-General, Chief Emeka Anyaoku, highlighted the main focus of the meeting, the interim report of the Commonwealth Secretariat/World Bank Joint Task Force on Small States. He drew attention to the main themes of the report, including the acute vulnerability of small states, and transitional costs of adjusting their economies into a more globalised world economy. He urged the international community to provide assistance for small states to achieve this transformation successfully.

3. Following her election, the Chairperson said that the meeting had a key responsibility of not only reviewing an important report prepared by the Commonwealth Secretariat and the World Bank but also to consider follow-up action to its recommendations. The chairperson

urged the meeting to focus on priority areas in order to assist the two institutions to finalise the report and initiate action on the recommendations.

4. The Group adopted the draft agenda without amendment. The report of the Task Force was introduced by Sir Humphrey Maud, Co-Chairman of the Task Force, on behalf of the Commonwealth, and Mr Masood Ahmed, the Co-Chairman from the World Bank. Mr Frits van Beek of the IMF and Professor Francisco Granell of the European Commission also provided brief comments on the report.

Interim Report of the Task Force

5. On the interim report of the Task Force, Ministers:

- welcomed the interim report of the Task Force, ***Small States: Meeting Challenges in the Global Economy***, as a landmark document with high political profile. They recognised that it had benefited from the close collaboration between the World Bank and the Commonwealth Secretariat in its preparation, as well as the strong support from the IMF, WTO, UNCTAD and the European Commission;
- reviewed the report, noting that it was work in progress, emphasising the need to finalise it before the meeting of the Development Committee of the Bank and the Fund in April 2000, and calling for a continuation of the process of consultations with governments, key multilateral agencies and regional organisations to ensure that the final report is broadly acceptable to all stake-holders;
- urged all partner organisations to review and, where possible, enhance their policy statements before finalisation of the report;
- emphasised the need for follow-up work to pay particular attention to: globalisation and the transitional costs of integrating small states into a more globalised economy; risk management; deepening regional co-operation; and public and private sector arrangements to finance the rehabilitation and replacement of infrastructure damaged through disasters;
- expressed broad support for the recommendations of the report, in particular calls for the international community to provide assistance to small states to integrate their economies into a more liberal trading environment, and for special treatment for vulnerable small states in the WTO, with inclusion of an in depth examination of this issue in the Organisation's post-Seattle work programme;
- recognised the regular incidence of natural disasters and their deleterious effects on the development of many small states and called for strengthening international mechanisms for providing assistance to meet the pre-and post-disaster needs of vulnerable countries;
- urged the international community to pay particular attention to capacity building needs of small states in designing their programmes of assistance to these countries;

- welcomed with the Commonwealth Secretariat proposals in the report to assist small states and asked the Secretary-General to give priority to these in designing programmes for its next strategic plan, so that the Commonwealth continued to take a lead role in promoting the interests of small states in the international system, and requested that adequate resources be made available for this purpose;
 - agreed that members of the Ministerial Mission, which was instrumental in establishing the Task Force, should continue to act as a monitoring mechanism and play an advisory role until completion of the work of the Task Force and its final report, and that implementation of the final report recommendations be similarly tracked;
 - urged CHOGM to take into account the main elements of the report's recommendations in its own messages to members of the Commonwealth and the international development community;
 - underscored the need for the Secretary-General to continue collaborative efforts with all partner organisations in order to ensure the implementation of the report's recommendations. They called for a Commonwealth co-ordinator to assist in this process with the UN system and others, and for agencies to come together in establishing regional facilities in support of small states; and
 - thanked the Co-Chairmen of the Task Force for their excellent work in preparing the report.
6. There being no other business, the Chairperson thanked fellow ministers for their valuable contributions and closed the meeting.

COMMONWEALTH FUNCTIONAL CO-OPERATION

Report of the Committee of the Whole

1. The Committee of the Whole met on 11 November 1999 in Durban to consider Commonwealth functional co-operation.

Commonwealth Fund for Technical Co-operation

2. The Committee reaffirmed its strong support for the Commonwealth Fund for Technical Co-operation (CFTC), noting the valuable technical assistance delivered by the Secretariat over the last two years in filling key strategic gaps in skills, expert policy advice and other areas to developing member countries, particularly small states. It expressed appreciation for the flexible and cost-effective nature of the CFTC's response to the requests of member states, which underscored its position as the primary instrument of development co-operation in the Commonwealth.

3. The Committee noted with satisfaction the process of reform initiated by the Secretary-General to make the CFTC more cost-effective and sharply focused, based on the report *CFTC: A Rethink*, which had been endorsed by the CFTC's Board of Representatives.

4. The Committee expressed its concern at the continued decline in CFTC resources notwithstanding increased pledges by a number of developing member countries over the last several years. It recalled the commitment made by Heads of Government in 1995 to restore CFTC resources to 1991/92 levels in real terms and expressed appreciation to those member countries which had increased their contributions. It strongly urged all governments in a position to do so to enhance their contributions to the Fund, with a view to achieving the 1995 commitment. The Committee also urged that pledges made to the CFTC be paid in timely fashion, noting that the earlier the payment of pledges in any financial year, the greater would be the CFTC's capacity to effectively deliver its programme of assistance.

5. The Committee welcomed progress made under the Trade and Investment Access Facility (TIAF) since the Edinburgh CHOGM in responding to the trade and investment-related needs of member countries. The TIAF remains open for further contributions from governments wishing to extend its beneficial impact. The Committee further expressed its appreciation of the Secretariat's efforts to give strategic direction to the future activities of the TIAF and believes these should focus on member countries' needs in WTO.

Environment

6. The Committee noted the fact that the Commonwealth Consultative Group on the Environment (CCGE) had met before the 1999 Special Session of the United Nations General Assembly on the review of the 1994 Barbados Programme for the Sustainable Development of Small Island Developing States (SIDS), and expressed satisfaction at the initiatives agreed by the CCGE for accelerating the sustainable development of SIDS, an aim to which the Committee attached importance.

7. The Committee considered a report from the Commonwealth Secretariat on international mechanisms for disaster relief and called for the strengthening of mechanisms which provide assistance to meet the pre- and post-disaster requirements of vulnerable countries, including through the creation of new windows of support from international financial institutions, and the development of partnerships with the private sector to promote post-disaster reconstruction and rehabilitation.

8. The Committee welcomed the successful mobilisation of additional resources from a coalition of Commonwealth and non-Commonwealth donors to accelerate the implementation of the Commonwealth's Iwokrama Rain Forest Programme. It further urged member governments to support the initiatives of the Board of the Programme in intensifying the mobilisation of increased financial and other material assistance from non-Commonwealth countries to address funding gaps.

9. The Committee also urged the Commonwealth Secretariat to initiate studies upon request to find alternative sources of energy especially for developing member countries of the Commonwealth.

10. The Committee noted the debate on the development and commercialisation of genetically modified organisms, which raised important policy issues concerning their potential benefits for global food production and human health and their impact on the environment, food safety, the control of agricultural technology and the direction of agricultural change. It called upon participating States to seek the finalisation and adoption of an effective and meaningful Protocol on Biosafety at the resumed session of the Extraordinary Conference of the Parties in January 2000.

11. The Committee welcomed the 1997 Kyoto Protocol to the United Nations Framework Convention on Climate Change as a first step towards reducing greenhouse gas emissions and called for its effective implementation by all the parties concerned. In this context, it urged member governments to work towards resolving outstanding issues of the Protocol, under the Buenos Aires Plan of Action, by the end of 2000.

Human Settlements

12. The Committee welcomed the establishment of a Commonwealth Consultative Group on Human Settlements (CCGHS) and the Group's report, *Focus on the Habitat Agenda: The Commonwealth Development Framework for Human Settlements* which underscored the need for practical ways to secure Commonwealth implementation of the Habitat Agenda, including greater international co-operation towards that end.

Debt

13. The Committee commended the initiatives of the Commonwealth Secretariat to improve the HIPC framework. The greater emphasis on growth and poverty eradication as the ultimate objective of debt relief is indeed encouraging. While it was recognised that the enhanced HIPC represented a step change improvement on the original framework, it still fell short of expectations of many HIPC countries. In order for HIPC countries to get timely access to the initiative, they may require additional technical assistance from the international community. Ensuring the effective implementation of the enhanced HIPC framework in a manner which is not at the expense of other developing countries is important and will also depend on the means of mobilising additional resources including non debt creating ones.

Good Governance and Combating Corruption in Economic Management

14. The Committee took note of the Report of the Expert Group established by the Secretary-General to study issues relating to the promotion of good governance and combating corruption in economic management at both national and global levels. It believed that the *Framework for Commonwealth Principles on Promoting Good Governance and Combating Corruption* constituted a basis for a concerted strategy and action to achieve these ends. It emphasised the Commonwealth's zero tolerance for all types of corruption and further believed that popular support should be mobilised throughout society against corruption and that in exposing corruption, all areas of corporate activity, whether local or international, be examined.

Money Laundering

15. The Committee encouraged member countries to continue to implement the recommendations of the Financial Action Task Force (FATF) on money laundering. It welcomed the efforts to launch a Commonwealth Eastern and Southern African group to co-ordinate anti-money laundering strategies and urged the early entry into force of the Memorandum of Understanding that would enable the Group to begin its work. It commended the work of the Caribbean FATF and called on Commonwealth countries from the Asia/Pacific region which had not yet joined the Asia/Pacific Group on Money Laundering to consider doing so in order to strengthen regional anti-money laundering efforts within the Commonwealth. It requested the Secretariat to continue its work on the problems of parallel economies and assist

in improving regulatory standards in all financial centres, where appropriate, in order to combat money laundering.

Private Investment and Capital Flows

16. The Committee welcomed the establishment of the Tiona Fund for the Caribbean region under the Commonwealth Private Investment Initiative. It expressed satisfaction at the work of the three other regional funds already in operation for Africa, the Pacific and South Asia. It noted the intention to establish successor funds for the African and Pacific regions of the Commonwealth. It expressed confidence that these Commonwealth initiatives would promote investment and economic growth in the Commonwealth developing countries involved.

17. The Committee welcomed the *Code of Good Practice for Promoting Private Capital Flows and Coping with Capital Market Volatility* endorsed by Commonwealth Finance Ministers and called for the implementation of the policies and measures set out in the Code and the options delineated for dealing with sudden surges of capital inflows and outflows. It endorsed the call for multilateral infrastructure to be established to help countries cope with the potential or actual volatility of private flows. Recognising that the Code is a necessary though not a sufficient condition for ensuring economic and financial stability, it noted that policy options available to economies should not be confined to standard policy prescriptions. The recent experience indicated that flexibility in the choice of policy instruments in times of crisis could be considered at the same time as pursuing structural reforms.

Electronic Commerce

18. The Committee noted the progress made by the Secretariat in promoting Electronic Commerce and urged the Secretariat and member governments to assist in building the capacity of the less developed members in developing this business medium, particularly in support of the small and medium size enterprise sector.

Public Service Reform

19. The Committee reiterated the need for sustained reform of the public sector and public services and welcomed the further steps taken by the Secretariat towards that end. In this context, it noted the report of a conference held in Canada in April 1998 on Governance for the 21st Century: Lessons and New Directions in Public Sector Reform. The Committee also reaffirmed its support for the work of the Commonwealth Association for Public Administration and Management (CAPAM) in strengthening public management and consolidating democracy and good governance.

Freedom of Access to Official Information

20. The Committee took note of the *Commonwealth Freedom of Information Principles* endorsed by Commonwealth Law Ministers and forwarded to Heads of Government. It recognised the importance of public access to official information, both in promoting transparency and accountable governance and in encouraging the full participation of citizens in the democratic process.

Education

21. The Committee noted the progress made by the Secretariat in helping member countries use technology in education, such as in establishing the Commonwealth Electronic Network for Schools and Education. It also took note of other initiatives in the field of education.

Health

22. The Committee drew the attention of Heads of Government to the Message from Commonwealth Health Ministers following their meeting in Barbados in November 1998. It welcomed the efforts made in the implementation of a Commonwealth programme of activities in the area of women and health as well as child survival, human resource development, the reduction of substance abuse and HIV/AIDS.

23. The Committee noted with grave concern the devastating social and economic impact of HIV/AIDS, particularly in sub-Saharan Africa, and that despite existing methods of prevention and control of the pandemic, morbidity and mortality continued to rise in Commonwealth developing countries. It urged Heads of Government to view the prevalence of HIV/AIDS as a Global State of Emergency and called on them to urge all sectors of their government, international agencies and the private sector to co-operate in increased efforts to address the problem, with greater priority to research into new methods of prevention, including in particular the urgent development of an effective vaccine, and effective ways of making drugs for the treatment of HIV/AIDS accessible to the affected population.

Gender

24. The Committee invited Heads of Government to endorse the Update to the 1995 Commonwealth Plan of Action on Gender and Development presented by Ministers Responsible for Women's Affairs, and to approve its presentation as the Commonwealth contribution to the Special Session of the United Nations General Assembly on the Beijing Platform for Action in June 2000. It also took note of the report by the Commonwealth Secretariat on the implementation of the 1995 Plan of Action. Heads of Government are urged to ensure provision of adequate resources to strengthen National Women's Machineries in order to achieve gender mainstreaming in all government policies, plans and programmes, in collaboration with other stakeholders, including international stakeholders.

25. The Committee invited Heads of Government to endorse the message from Ministers Responsible for Women's Affairs, to ensure future Commonwealth support to governments and the Secretariat to mainstream gender; to enhance women's participation in political decision-making and peace processes; to promote women's human rights; and to address the impacts of globalisation and macro-economic changes on women and vulnerable communities.

Youth Affairs

26. The Committee drew the attention of Heads of Government to the Message from Commonwealth Ministers Responsible for Youth Affairs, following their meeting in May 1998. It received the Commonwealth Plan of Action for Youth Empowerment (PAYE) to the year 2005, recognising that the Ministers endorsed the policy framework represented by the Plan, and

noted that the PAYE offered a range of options which would enable governments to select policies that would empower young people. The Committee therefore encouraged the endorsement of the PAYE by Heads of Government as a commitment to youth empowerment and as a demonstration of international leadership in youth affairs.

27. The Committee expressed satisfaction that the Commonwealth Youth Programme (CYP) was continuing its work in the three strategic directions of National Youth Policies, Human Resource Development and Youth Empowerment and reaffirmed its support of the Programme. The Committee further endorsed the current efforts at restructuring the operations and the strategic priorities of the CYP so that it can make an even greater impact on young people.

Science and Technology

28. The Committee took note of the review of the mandate of the Commonwealth Science Council (CSC) carried out by a Steering Group. It believed that the CSC Report *Knowledge Networking for Development: Science and Technology for the Millennium* provided a valuable framework for increasing the benefits to member countries.

29. The Committee recommended that Heads of Government endorse the decision of the Executive Committee of the CSC to implement the Commonwealth Knowledge Network (CKN) to assist member countries in capacity-building to use science and technology for solving development problems through increased exchange of knowledge and expertise. The Committee recognised the contribution made by the COMNET IT since its inception four years ago to the promotion of the use of information technology for policy development and good practice in the public service as well as the development of institutional networking, and encouraged Commonwealth countries to participate in its activities.

30. The Committee encouraged countries that were not yet members to join the Council and urged those members in arrears of their contributions to clear these in order to actively participate in the benefits of a revitalised CSC.

Secretariat Management and Administrative Practices

31. The Committee paid tribute to the Secretary-General's foresight in initiating reforms that would enable the Commonwealth to meet the challenges of the 21st century. It affirmed its strong support for this process and requested the Secretariat and member countries to carry forward Chief Anyaoku's vision of a re-invigorated Commonwealth promoting the goals of sustainable development, democracy, good governance, and respect for human rights by building the capacity of member countries and their supporting institutions in order to efficiently attain those goals.

Parliamentary and Local Government Good Practice

32. The Committee recognised the Commonwealth Parliamentary Association (CPA) as the parliamentary partner of the Commonwealth's governmental and non-governmental sectors in advancement of the democratic culture in the Commonwealth, and endorsed the CPA's efforts to seek financial and other support from the international community to sustain the services and programmes necessary to strengthen representative government.

33. The Committee recognised the value of partnership between the central, provincial and local spheres of government, and acknowledged the role of the Commonwealth Local Government Forum (CLGF) and its close co-operation with the Commonwealth Secretariat in the promotion of democratic values and best practices in local government. It encouraged the establishment of local government information centres at regional level and expansion of the *Commonwealth Local Government Good Practice Scheme*.

Commonwealth Foundation

34. The Committee welcomed the Report of the Commonwealth Foundation to Heads of Government and reaffirmed its support for the work undertaken by the Foundation in the four areas covered by its mandate, namely, capacity building, networking and collaboration among non-governmental organisations (NGOs); professional development and exchange; promotion of arts and culture; and promotion of Commonwealth understanding.

35. It noted the findings of the Foundation's Summary Report *Citizens and Governance - Civil Society in the New Millennium* presented to the Commonwealth NGO Forum in Durban and encouraged implementation of its recommendations. The Committee welcomed the continuing emphasis the Foundation was placing on strengthening NGO/government partnerships, particularly in the context of poverty eradication and equal opportunities for all.

36. It paid tribute to the contribution made to the work of the Foundation by the outgoing Director, Dr Humayun Khan and welcomed the new Director-designate, Mr Colin Ball.

Commonwealth of Learning

37. The Committee received with satisfaction the Report of the Board of Governors of the Commonwealth of Learning (COL) and noted COL's success in fulfilling the objectives set out in its *Three-year Plan, 1997-2000*, approved by Ministers of Education at their meeting in Botswana and endorsed by Heads of Government during their Meeting in Edinburgh. The Committee appreciated that COL constitutes an ideal instrument through which the Commonwealth can extend access to education and training to meet its human resource development needs and to prepare Commonwealth citizens for the challenges of a global knowledge-based society. It encouraged COL to form partnerships as appropriate to enhance its capacity to pursue the full breadth of the goals and mission envisaged for COL in the Board's Report.

38. The Committee endorsed the direction sketched out for the next *Three-year Plan, 2000-2003*, given the critical importance of education and training to every aspect of human, social and economic development, as well as the opportunities presented by the new information and communication technologies. The Committee encouraged Commonwealth Ministers of Education to make pledges sufficient to provide COL with a minimum of \$9 million annually to carry out this Plan.

Commonwealth Partnership for Technology Management

39. The Committee welcomed the progress made by the Commonwealth Partnership for Technology Management (CPTM) since its establishment in 1995 as a new co-operative public/private sector mechanism for promoting greater understanding of and action on key technology management issues.

40. The Committee noted the evolution of the International Dialogues on "Smart Partnership" held at the Regional Hubs in Southern Africa, the Caribbean and Asia and the establishment of National Hubs promoting national dialogues for greater economic, technological and regulatory awareness.

41. It reaffirmed support for CPTM's objectives and mission and urged the contributing Commonwealth Governments, to provide CPTM with enhanced funding – and those who are not already contributing, to consider the possibility of pledging an annual contribution which will also encourage the flow of resources from the private sector to intensify CPTM's advisory and "Smart Partnership" activities.

Commonwealth Sport

42. The Committee welcomed the Report of the CHOGM Committee on Co-operation through Sport (CCCS) and endorsed its recommendations. It commended the CCCS for its work in promoting development through sport in the Commonwealth. It therefore recommended the extension of the mandate of the CCCS for a further four year term from 1999 to 2003.

43. The Committee received a presentation on the 2002 Commonwealth Games in Manchester from the Chairman of the Organising Committee, noted the progress made in its preparations, and looked forward to a further update during CHOGM in 2001.

Arrears of Contributions to the Secretariat's Budgets

44. Concerned with the rising levels of arrears of contributions to the Commonwealth Funds, the Committee approved the following measures to take effect from 1 July 2000:

- (i) all countries are expected to pay their annual contribution in full. Those countries which failed to meet their obligations and were three or more years in arrears (excluding the current year) to the Commonwealth Secretariat assessed budget and had not agreed specific arrangements to pay such arrears, should not expect to be considered for technical assistance from any of the Secretariat's budgets;
- (ii) when a country continued to remain in arrears in its contribution to the Secretariat's assessed budget for four years or more (excluding the current year), it would be deemed to have opted to become a special member. This would preclude attendance at Heads of Government Meetings;
- (iii) in order to benefit from technical assistance from the CFTC, a country in addition to meeting its obligations to the Commonwealth Secretariat's budget, as set out in recommendation (I) above, must have pledged at least four out of five years including the current year and should not be more than three years in arrears of payments (excluding the current year);

- (iv) in the case of the CYP, in addition to meeting its obligations in recommendation (I) above, the countries must have pledged for at least four out of five years, including the current year, and must not be in arrears for more than three years, excluding the current year, in order to participate in the activities of the CYP and attend ministerial meetings;
 - (v) for the CSC, in addition to meeting its obligations in recommendations (I) above, countries in arrears for three years or more, excluding the current year, would not be eligible to participate in the activities of the CSC and attend Council meetings;
 - (vi) the Secretary-General would in each case undertake prior consultations with the governments concerned in order to confirm that the measures outlined above would be applied.
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Financing of the United Nations Mission in East Timor

Financing of the United Nations Mission in East Timor

Report of the Secretary-General

Summary

The present report contains a request for an additional appropriation in the amount of \$26,913,800 gross (\$26,499,800 net), and assessment in the amount of \$23,241,600 gross (\$22,827,600 net), for the United Nations Mission in East Timor (UNAMET). A budget performance report covering the period from 5 May through 30 November 1999 is also provided.

By its resolution 54/20 of 29 October 1999, the General Assembly revised the level of the initial appropriation for UNAMET for the period from 5 May to 30 September 1999 to a total amount of \$54,428,400 gross (\$52,941,100 net). In the same resolution, the Assembly also authorized the Secretary-General to enter into commitments up to \$28,037,100 gross (\$27,080,700 net), in addition to the commitment authority of up to \$10 million which had been granted by the Advisory Committee on Administrative and Budgetary Questions on 9 September 1999. The total financial provision available for UNAMET from 5 May through 30 November 1999 amounted to \$92,465,500 gross (\$90,021,800 net).

Expenditures for the entire period totalled \$81,342,200 gross (\$79,440,900 net), resulting in an unencumbered balance of provisions of \$11,123,300 gross (\$10,580,900 net), inclusive of in-kind voluntary contributions received.

The request for an additional appropriation in the amount of \$26,913,800 gross (\$26,499,800 net), represents the difference between overall expenditures of \$81,342,200 gross (\$79,440,900 net) and the initial appropriation of \$54,428,400 gross (\$52,941,100 net). The initial appropriation was made up of the initial assessment of \$7,155,000 gross (\$5,667,700 net) and the budgeted voluntary contributions of \$43,834,700 in cash, and \$3,438,700 in kind.



The requested assessment of \$23,241,600 gross (\$22,827,600 net) reflects the above requested additional appropriation net of the additional in-kind voluntary contributions of \$3,672,200.

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I. Introduction

1. Having considered the report of the Secretary-General of 21 September 1999 on the financing of the United Nations Mission in East Timor (A/54/380) and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/54/406), the General Assembly, in its resolution 54/20 of 29 October 1999, approved a revised appropriation totalling \$54,428,400 gross (\$52,941,100 net) for UNAMET for the period from 5 May to 30 September 1999. Taking into account the voluntary contributions to the Trust Fund for the Settlement of the Question of East Timor in the amount of \$43,834,700 and in-kind contributions valued at \$3,438,700 for the same period, the General Assembly decided to apportion the amount of \$7,155,000 gross (\$5,667,700 net) among Member States, in accordance with the composition of groups set out in paragraphs 3 and 4 of Assembly resolution 43/232 of 1 March 1989, as adjusted by the Assembly in its resolutions 44/192 B of 21 December 1989, 45/269 of 27 August 1991, 46/198 A of 20 December 1991, 47/218 A of 23 December 1992, 49/249 A of 20 July 1995, 49/249 B of 14 September 1995, 50/224 of 11 April 1996, 51/218 A to C of 18 December 1996 and 52/230 of 31 March 1998 and its decisions 48/472 A of 23 December 1993 and 50/451 B of 23 December 1995, and taking into account the scale of assessments for the year 1999, as set out in its resolution 52/215 A of 22 December 1997.

2. By its resolution 54/20, the General Assembly also authorized the Secretary-General to enter into commitments up to \$28,037,100 gross (\$27,080,700 net), in addition to the commitment authority up to \$10 million granted by the Advisory Committee on 9 September 1999, for the requirements of the Mission for the period from 1 September to 30 November 1999, pending the submission of a revised budget by the Secretary-General. As indicated in annex II to the report of the Secretary-General (A/54/380), voluntary contributions in kind valued at \$2,752,200 were included in the requirements for the same phase of the Mission.

3. Therefore, the overall financing provision granted by the General Assembly in its resolution 54/20 for UNAMET from 5 May through 30 November 1999 amounted to \$92,465,500 gross (\$90,021,800 net), including budgeted voluntary contributions in kind totalling \$6,190,900.

II. Performance report for the period from 5 May to 30 November 1999

4. As indicated in annex I to the present report, cumulative expenditures in the amount of \$81,342,200 gross (\$79,440,900 net) have been recorded for UNAMET. Taking into consideration the budgeted voluntary contributions in kind, the resulting unspent balance amounts to \$11,123,300 gross (\$10,580,900 net). Annex II provides supplementary information on significant variances.

5. A list of in-kind contributions received by UNAMET with their respective estimated value is contained in annex III. This reflects the additional in-kind contribution of \$920,000, which raised the estimated value of in-kind contributions from \$6,190,900 to \$7,110,900.

6. Following the events after the announcement of the results of the popular consultation, military and civilian personnel were relocated from East Timor to Darwin in mid-September 1999. While many of them remained in Darwin until the resumption of activities in East

Timor, a number of them were redeployed to other peacekeeping missions or were repatriated on expiry of their contracts. The deployment of additional personnel was very gradual owing to the need to arrange for the provision of adequate housing. The damage caused to other infrastructure also delayed the full resumption of activities until December 1999, resulting in savings in a number of items.

III. Action to be taken by the General Assembly

7. The General Assembly is hereby requested to take note of the performance report for UNAMET for the period from 5 May to 30 November 1999.

8. On the basis of the actual expenditures of the Mission, the General Assembly is also requested to appropriate an additional amount of \$26,913,800 gross (\$26,499,800 net), which is the difference between overall expenditures of \$81,342,200 gross (\$79,440,900 net) and the initial appropriation of \$54,428,400 gross (\$52,941,100 net). The initial appropriation was made up of the initial assessment of \$7,155,000 gross (\$5,667,700 net) and the budgeted voluntary contributions of \$43,834,700 in cash, and \$3,438,700 in kind.

9. Furthermore, given the additional voluntary contribution in kind (\$3,672,200) received in phase II of the Mission, an additional assessment in the amount of \$23,241,600 gross (\$22,827,600 net) is hereby requested, utilizing the same scale referenced in paragraph 12 of General Assembly resolution 54/20. The following table shows the derivation of the assessment amount requested:

	<i>Gross</i>	<i>Net</i>
	<i>(Thousands of United States dollars)</i>	
Budgetary provision		
Appropriation (resolution 54/20)	54 428.4	52 941.1
Commitment authority by the Advisory Committee	10 000.0	10 000.0
Commitment authority by the General Assembly (resolution 54/20)	28 037.1	27 080.7
Total	92 465.5	90 021.8
Financing and budget implementation		
Voluntary contributions in cash (as noted in para. 9 of resolution 54/20)	(43 834.7)	(43 834.7)
Voluntary contributions in kind (as noted in para. 9 of resolution 54/20)	(3 438.7)	(3 438.7)
Assessment (resolution 54/20)	(7 155.0)	(5 667.7)
Unencumbered balance	(11 123.3)	(10 580.9)
Amount to be appropriated	26 913.8	26 499.8
Additional voluntary contributions in kind (A/54/380, annex II)	(3 672.2)	(3 672.2)
Amount to be assessed	23 241.6	22 827.6

Annex I

Performance report for UNAMET: summary statement

(Thousands of United States dollars)

Category of expenditure	Budgetary provision		TOTAL (c)=(a)+(b)	Expenditure (d)	Variance (e)=(c)-(d)
	5 May to 30 Sep. 1999 (a)	1 Sep. to 30 Nov. 1999 (b)			
I. Military personnel costs					
1. Military liaison officers	798.7	2 864.9	3 663.6	2 752.9	910.7
2. Contingent-owned equipment (Level 2 field hospital)	-	100.0	100.0	-	100.0
Total, category I	798.7	2 964.9	3 763.6	2 752.9	1 010.7
II. Civilian personnel costs					
1. Civilian police	4 158.4	3 203.5	7 361.9	4 857.2	2 504.7
2. International and local staff	12 072.3	7 936.5	20 008.8	15 515.7	4 493.1
3. United Nations Volunteers	4 849.4	962.8	5 812.2	5 811.5	0.7
Total, category II	21 080.1	12 102.8	33 182.9	26 184.4	6 998.5
III. Operational costs					
1. Premises/accommodation	1 143.1	897.5	2 040.6	2 274.3	(233.7)
2. Transport operations	11 720.4	9 240.7	20 961.1	19 639.2	1 321.9
3. Air operations	4 631.6	1 656.6	6 288.2	5 803.3	484.9
4. Communications	2 451.0	3 762.0	6 213.0	6 106.0	107.0
5. Other equipment	1 924.1	1 964.1	3 888.2	3 895.6	(7.4)
6. Supplies and services	1 505.3	664.9	2 170.2	1 304.1	866.1
7. Air and surface freight	-	770.0	770.0	667.0	103.0
Total, category III	23 375.5	18 955.8	42 331.3	39 689.5	2 641.8
IV. Other programmes					
1. Election-related supplies and services	3 503.1	-	3 503.1	3 005.9	497.2
2. Public information programmes	745.0	305.0	1 050.0	697.3	352.7
Total, category IV	4 248.1	305.0	4 553.1	3 703.2	849.9
V. Voluntary contributions in kind	3 438.7	2 752.2	6 190.9	7 110.9	(920.0)
VI. Staff assessment	1 487.3	956.4	2 443.7	1 901.3	542.4
Gross requirements	54 428.4	38 037.1	92 465.5	81 342.2	11 123.3
VII. Income from staff assessment	(1 487.3)	(956.4)	(2 443.7)	(1 901.3)	(542.4)
Net requirements	52 941.1	37 080.7	90 021.8	79 440.9	10 580.9

Annex II

Supplementary information on significant variances

Military personnel costs

Provision: \$3,763,600; expenditure: \$2,752,900; variance: \$1,010,700

1. The net unspent balance was realized mainly from under-deployment of military liaison officers and the non-deployment of a level 2 field hospital. A total of 118 military liaison officers were deployed until 30 November 1999, compared to the authorized strength of 300. The savings were partially offset by a higher mission subsistence allowance (MSA) paid to these officers during relocation to Darwin and an increase in the MSA rate applicable in East Timor from \$66 to \$109 per day. The net savings comprise \$670,200 in travel costs, \$237,200 in MSA, \$3,300 under clothing allowance, and \$100,000 provided for the field hospital.

Civilian personnel costs

Provision: \$33,182,900; expenditure: \$26,184,400; variance: \$6,998,500

Civilian police — variance: \$2,504,700

2. The unspent balance is a result of the delay in deployment of civilian police officers in the mission area. Compared to the authorized strength of 460 officers, only 273 were deployed. The reduced requirements under travel and other costs were partially offset by payment of additional MSA during their relocation to Darwin and the revised MSA rate in East Timor. The savings comprise \$1,852,200 in travel costs, \$634,200 in MSA and \$18,300 in uniform allowance.

International and local staff — variance: \$4,493,100

3. The savings were the result of under-deployment of international staff, lower expenditure on consultant services, and lower than expected official travel. A total of 174 international staff was deployed to the Mission, compared to the authorized strength of 316. These savings were partially offset by an additional requirement in the amount of \$750,000 to settle claims from staff members for loss of their personal belongings. In addition, in September 1999, the United Nations Security Coordinator authorized hazard pay for the international and local staff deployed to East Timor. Other unbudgeted expenditures included MSA at the Darwin rate during the relocation of staff, the increase in the MSA rate for East Timor, and payment of living allowance to local staff and their dependants relocated to Darwin. The unspent balance comprises \$3,163,200 in international staff costs, \$642,000 in consultant fees and other costs, \$3,900 in overtime, \$495,300 in MSA and \$333,200 in travel cost. These savings were partially offset by an over-expenditure of \$144,500 in the local staff cost.

Operational costs

Provision: \$42,331,300; expenditures: \$39,689,500; variance: \$2,641,800

Premises/accommodation — variance: (\$233,700)

4. The increase under this item is attributable to additional requirements for the purchase of materials for temporary accommodation and repairs to the damaged office premises.

Transport operations — variance: \$1,321,900

5. The decrease under this heading is a result of favourable prices and exchange rates for vehicles, and lower than estimated freight cost, fuel price and rental of trucks. The net savings consist of \$637,900 in cost of vehicles, \$185,000 in freight charges, \$85,000 for rental costs and \$414,000 for fuel and lubricant.

Air operations — variance: \$484,900

6. The unutilized balance for this line item is attributable to lower than estimated costs of aviation fuel (\$465,900), accommodation and meals of air crews (\$40,000) and the airport services (\$40,000). These reduced requirements were partially offset by additional charges for long haul flights from Brindisi to East Timor of \$61,000.

Communications — variance: \$107,000

7. The savings under this heading result from marginally lower than estimated prices of various communications supplies and equipment.

Supplies and services — variance: \$866,100

8. The unspent balance is derived from savings relating to self-sustainment level 1 dental and level 2 medical treatment and blood supply in connection with the non-deployment of the level 2 hospital (\$886,700), and lower cost of vaccination negotiated by the United Nations for the staff deployed in East Timor (\$460,500), offset by additional requirements for other supplies and services of \$481,100.

Air and surface freight — variance: \$103,000

9. The decrease is a result of lower equipment purchases combined with lower freight charges than anticipated.

Other programmes

Provision: \$4,553,100; expenditure: \$3,703,200; variance: \$849,900

Election-related supplies and services — variance: \$497,200

10. Instead of setting up its own data-processing centre, the Mission decided to avail itself of contractual services for compiling data on voters. As a result, savings of \$999,700 from the data-processing equipment and other associated equipment for registration of voters are partly offset by the cost of the contractual arrangements with a commercial enterprise (\$674,000). In addition, the cost of external voting organized through the International

Organization for Migration (IOM) was lower than originally estimated, resulting in a saving of \$171,500.

Public information programmes — variance: \$352,700

11. The unencumbered balance under this heading has been realized because of lower than estimated costs for radio and television programming and non-purchase of a radio production studio.

Voluntary contributions in kind

Provision: \$6,190,900; expenditure: \$7,110,900; variance: (\$920,000)

12. The additional in-kind contribution valued at \$920,000 relates to the office accommodation for UNAMET headquarters provided free of charge by the host Government.

Annex III

Voluntary contributions in kind received by UNAMET

(Thousands of United States dollars)

	Estimated value
1. Office accommodation for UNAMET headquarters in Dili	920.0
2. Use of airbase and office space in Darwin	355.0
3. Twenty-eight 4x4 vehicles	420.0
4. Air operations	
Helicopters (cost of flight hours)	3 240.0
Positioning/repositioning of helicopters	120.0
Painting/preparation of helicopters	15.0
Accommodation and meals for air crews	180.0
Airport traffic control and services	<u>180.0</u>
Subtotal	3 735.0
5. Voting materials in East Timor	900.0
6. Medical evacuation service	560.0
7. Nine start-up kits of medical supplies	131.7
8. Fifty units of air-conditioners	45.0
9. Other supplies (maps, ration packs, mosquito nets, sleeping bags, camp cots and malaria medicine)	44.2
Total	7 110.9

Note: Additional voluntary contributions in kind for which there was no budgetary provision will be duly reflected in a footnote to the financial statements.